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IAAE Adds Board Members, Sets Schedule Of Meetings

International Association of Airport Executives (IAAE) Chair Jim Bennett, A.A.E., announced that the following representatives have been added to the association's board of directors: Tolga Turgut, manager of international affairs at Istanbul Ataturk International in Turkey; Stefan Runcan, general director of Targu Mures Airport in Romania, and Sorin Stoicescu, general director of civil aviation for Romania.

Further, Ross Travis of the LPA Group and Joe Paresi of L-3 Communications Security Systems have been added to the IAAE board as ex-officio corporate representatives.

Bennett also announced that the following international meetings have been scheduled for 2003: Airport Privatization and Terminal Concessions Development, June 30-July 2, in Dubrovnik, Croatia; Airports and Tourism Development, Oct. 1-3, in Targu Mures, Romania, and the annual U.S./Central Europe Conference, Nov. 9-12, in Prague, Czech Republic.

AAAE Holds First Conference in Istanbul

More than 150 government and aviation industry officials met in November to discuss topics ranging from safety and security challenges to airport infrastructure and air cargo development case studies at the Eighth Annual Central Europe/U.S. Airport Security/Safety/Infrastructure Workshop and Trade Mission, Nov. 17-20, 2002, in Istanbul, Turkey.

Other subjects covered at the conference, organized by AAAE and the International Association of Airport Executives, in cooperation with the Department of Commerce, the U.S. Embassy-Turkey and FAA, included

aviation and global legislative challenges, U.S.-Europe aviation relations, European and U.S. airline challenges and aviation safety/security ATC modernization challenges in Europe and the U.S.

The U.S. delegation at the conference was led by AAAE First Vice Chair Bonnie Allin, A.A.E., and IAAE Chairman James E. Bennett, A.A.E. Leading the Turkish delegation were Sani Sener, chief executive officer of Istanbul Ataturk International Airport (managed by TAV), and Selcuk Kileci, director general of Istanbul Sabiha-Gokcen International Airport.

Prominent speakers at the conference included the Honorable W. Robert Pearson, the U.S. ambassador to Turkey; Rep. Robert "Bud" Cramer (D-Ala.), a member of the House Appropriations Committee; John Blazey and Therese McAuliffe, both staff assistants for the House Appropriations Committee; Adam Tsao, Republican professional staff member for the House aviation subcommittee; Stacie Soumbeniotis, Democratic counsel for the House aviation subcommittee; Paul Feldman, director of International Area Offices for FAA, and Frederic Dupeyron, principal banker with the European Bank for Reconstruction and Development.

AAAE and IAAE would like to express their deep gratitude to the following companies and organizations whose financial support made this conference possible: Istanbul Ataturk International Airport (managed by TAV), Istanbul Sabiha-Gokcen International Airport, Turkish Airlines, American Airlines, Delta Air Lines, Metropolitan Washington Airports Authority, DM Airport Developers, Salzburg Airport W.A. Mozart, Romania Airports Association, Hewlett Packard, Cisco Systems, Ingersoll-Rand Security & Safety, Robinson Aviation (RVA), RTCA, Inc., InVision Technologies, L-3 Communica-

tions Security Systems, Gozen Aviation Security, Smart Approach, Emergency-One, Honeywell, Environmental Tectonics Corp. and the Young Businessmen's Executive Association of Turkey.

China's Baiyun Airport More Than 60 Percent Completed

China Southern Airlines announced that construction of the new Baiyun International Airport is on schedule and more than 60 percent completed.

The new airport opens in October 2003.

Concrete for both runways has been laid and construction is moving at a 24-hour, seven-day-a-week pace with more than 35,000 skilled workers and engineers on hand, the airline said. Major projects currently underway include the 45,000-square-meter central ticket area within the main terminal complex. Also under construction is the new five-story Nanland Catering Center; five-story China Southern Airlines Cargo Center, engineering buildings and Gameco aircraft maintenance facilities.

Already completed and open for use is a three-lane freeway linking the new airport and the center of Guangzhou, 22 kilometers away. The high-speed extension of Guangzhou's subway line—connecting the airport to Guangzhou City—is slated to be completed in May 2004.

Australia To Reduce ATC Charges

The Australian government said that Airservices Australia will reduce air traffic control charges next year, saving the airline industry nearly A\$10 million annually.

Transport Minister John Anderson said Australian domestic and interna-

tional carriers will realize savings of A\$5 million a year, while foreign international airlines will have a reduction totaling A\$4.5 million a year. "The last year has been a very difficult period for the airline industry due to the continuing effects of Sept. 11 and the grounding of Ansett," Anderson said.

IATA Seeks Expansion Of Heathrow Operating Capacity

"The U.K. and London require one international hub/gateway airport," said Giovanni Bisignani, International Air Transport Association (IATA) director general and CEO in a letter to U.K. Transport Minister Alistair Darling. "It follows that Heathrow should continue to play that role," he said.

The letter introduced IATA's response to the Consultation on the South East that is part of the wider U.K. government Consultation on the Future Development of Air Transport.

Demand for the South East is forecast to grow to 360 million passengers per year by 2030, while forecast capacity is only 180 million passengers per year. There is, therefore, a very significant shortfall, IATA said.

In its recommendations, IATA pointed out that, "The provision of adequate airspace and airport capacity is a prerequisite for achieving significant reductions in congestion, delays and greenhouse gas emissions."

IATA's response emphasized three main priorities. The first priority is Heathrow. A third runway should be built, 2000 meters long, north of the Bath Road, to be operational by 2012, the association said.

The second priority is Stansted airport, IATA said. A second runway should be constructed there to be operational by 2014.

The third priority is a choice of either building a third runway at Stansted or a second one at Gatwick, depending on market demand. It would become operational in 2020, IATA said.

Liberalization of intra-European aviation could induce airline mergers and further stimulate hub and spoke

systems at a limited number of large airports, IATA predicted. A second London hub is, therefore, not plausible.

Europe requires a well-connected infrastructure network and, if the U.K. does not participate now to accommodate such capacity developments, it may find itself left behind, IATA said.

Point-to-point airports such as Stansted also require expanded facilities to handle growth of existing sectors and possible future niche markets, offering a high number of destinations and frequencies but with operations on a stand-alone, independent basis, IATA added.

Qantas/Air New Zealand Alliance Clears First Hurdle

The proposed alliance between Qantas and Air New Zealand cleared its first regulatory hurdle in mid-December when the New Zealand government gave conditional approval for Qantas to take a 22.5 percent stake in the smaller airline and invest nearly \$300 million.

Still required is backing from the New Zealand Commerce Commission and Australia's Competition Commission.

Boeing Plans 2004 Launch Of 250-Seat Aircraft

Boeing Commercial Airplanes CEO Alan Mulally, during a Dec. 20 news conference in Seattle, described the company's focus on a new passenger airplane in the 250-seat class that would be ready for service in 2008. He said Boeing would launch the aircraft in 2004.

Noting the "unprecedented times" aviation is going through, Mulally predicted it will take two to three years for the airlines "to get matched up again" on the proper amount of capacity to offer. Boeing produced about 300 planes in 2002 and will reduce that number to 285 for the next two years, he said. Estimates are that passenger traffic will regain strength in 2003 and 2004, he said. If this happens, he said, Boeing would increase production again in 2005.

EasyJet Posts Strong Pre-Tax Earnings

European no-frills carrier easyJet said it boosted year-over-year pre-tax earnings by 78 percent for the 12 months ended Sept. 30.

Separately, easyJet said it is making progress on finalizing its Airbus A319 order announced in October. Talks between the two parties are at "an advanced stage" and easyJet said it "expects to sign formal documentation and seek shareholders' approval" for the deal "in the near future."

Last month, easyJet said it planned to order up to 240 A319s—120 firm and 120 options—to replace the airline's existing 737s and provide for growth. The firm orders would be delivered over five years beginning next September.

EVA To Launch Cargo Flights At Ontario, Calif.

Los Angeles Mayor Jim Hahn announced that Taiwan-based EVA Airways and Los Angeles World Airports (LAWA) have entered into an agreement for EVA to begin air cargo freighter operations at Ontario International Airport.

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"To ensure Southern California's leading role in international trade and the economic benefits world trade brings to the region, it is crucial that Los Angeles World Airports prepares Ontario Airport as a major air cargo gateway to meet future cargo demands," said Hahn.

"Los Angeles cannot bear the region's entire burden," said Lydia Kennard, executive director of LAWA. "I applaud Mayor Hahn for traveling around the globe to sell the benefits of all of our airports to better handle demand."

The Letter of Intent was signed in Taipei during Mayor Hahn's last official meeting of his 10-day trade and tourism mission to Asia.

Provisions of the agreements call for LAWA to develop and construct an international air cargo center at Ontario to EVA's specifications. EVA agreed to enter into a long-term facility lease and operating permit at Ontario following LAWA's completion of the new facility. LAWA also will develop an incentive package to assist and promote EVA's start-up operations at Ontario.

Hahn said developers are preparing proposals to significantly increase cargo operations on a new, 100-acre site at Ontario.

Sydney Airport Reports Double Digit Traffic Recovery

Sydney Airport's international traffic continued double digit recovery in November, officials said.

International passenger traffic through Sydney Airport was 14.7 percent higher in November 2002, compared to November 2001.

International visitor numbers from Australia's traditional tourist markets again increased in November and were the main reason for the continuing positive passenger growth, officials explained. This month saw a significant improvement in U.S. passenger numbers, 22 percent above that achieved in November 2001. Japanese traveler numbers also achieved a second month of record growth.

ICAO Establishes Fund To Back Aviation Safety Projects

The Council of the International Civil Aviation Organization (ICAO) has established an International Financial Facility for Aviation Safety (IFFAS) to assist members in financing aviation safety-related projects identified primarily through the ICAO Universal Safety Oversight Audit Program (USOAP).

The purpose of IFFAS is to provide financial assistance to states that cannot obtain the required funds through traditional means of financing in order to apply corrective measures flowing from USOAP.

"Aviation safety is global in nature. For the entire system to be safe, all elements must be equally safe. IFFAS is yet another tool at the disposal of contracting states in their on-going efforts to ensure that every citizen of the planet can fly safely to and from any destination in the world," said Dr. Assad Kotaite, president of the Council of ICAO.

Toronto Airport Authority Purchases Cargo Building

The Greater Toronto Airports Authority (GTAA) has concluded a sale-leaseback agreement with Air Canada for the purchase of Air Canada's cargo building, ground service equipment building and the automated cargo handling equipment within the cargo building.

GTAA said it paid \$100 million (Canadian) for the buildings and equipment, all of which are at Toronto Pearson International.

Air Canada will continue to operate its air cargo business in the premises on a long-term lease basis, the GTAA said.

London Court Rejects Claims Of Economy Class Syndrome

A London court rejected an attempt by victims of "economy class syndrome" to sue airlines over claims that remaining seated on long flights gave them potentially deadly blood clots.

The British High Court said blood

clots did not constitute an "accident" under the Warsaw Convention. The 1929 treaty makes airlines liable for damages only in the case of an accident.

The decision was counter to a ruling made earlier in a similar case in Australia.

EU Officials To Meet Jan. 7 On Aviation Talks With U.S.

The European Union might be able to launch aviation talks with the U.S. as early as January, according to published reports.

The move follows the European Court of Justice's Nov. 5 ruling outlawing some aspects of existing bilateral transatlantic air accords.

Afterwards, some countries led by Britain opposed moves to give negotiating power to Brussels.

Officials from EU member states will meet in Brussels on Jan. 7, 2003, to discuss the measures necessary to bridge the gap between the end of the existing bilaterals and the start of a new EU air accord, a key issue for European airlines, reports said.

Americans Voice Confidence In Future Travel Plans

Seventy-one percent of Americans plan to travel at least as much or more in 2003 as they did this year and 60 percent believe the struggling U.S. economy will be stronger next year than it is today, according to a new American Automobile Association (AAA) survey.

Seventy-eight percent of survey respondents said they would spend as much or more on their longest vacation next year as they did this year while 7 percent stated they would spend somewhat less and only 7 percent planned to spend a lot less. Another 8 percent weren't sure.

More than half of those surveyed said they would travel the same next year as they did this year if the U.S. goes to war with Iraq. Seventeen percent would travel somewhat less and 23 percent expected to travel a lot less. Only 4 percent would travel more while another 4 percent weren't sure.

News From Around The World

Qantas announced it would commence its first services to **Chicago** from **Melbourne** via **Los Angeles** three times each week, effective March 31, 2003.

Houston Express in early December began new nonstop service from Houston International to **Malabo International Airport in Equatorial Guinea**. The Malabo flight marks the second nonstop service to the African region from Houston. Sonair launched nonstop service to Luanda, Angola, a little more than two years ago.

Delta Air Lines announced it will offer customers new codeshare service to **Belize** and **Bonaire**, via Air Jamaica's hub in **Montego Bay**, effective immediately. Codeshare service to Belize will operate four times a week and Bonaire will operate three times a week, both with Air Jamaica aircraft.

Middle East carrier **Royal Jordanian Airlines** is forecasting full year net profits of \$1.1 million and is considering buying 10 new planes as it heads for recovery. The airline suffered from a downturn in traffic following last year's terror attacks in the U.S. Now it has experienced revenues rise by more than 11 percent and increasing passenger numbers on its flights.

Continental Airlines made a strongly worded attack on the U.S. Department of Transportation, accusing it of "holding hostage" its proposed alliance with **Northwest** and **Delta Air Lines**. The airline said that a complaint made by a competitor is "without merit" and that DOT's decision to extend the review period of the new alliance "is inappropriately linked to unrelated, unfounded allegations."

A Dutch arbitration panel agreed that **KLM's** termination of its alliance agreement with **Alitalia** was invalid. Meanwhile, KLM said it would have to cut costs to prevent another loss in the fiscal year starting in April 2003.

China's second largest airline, **China Eastern**, has secured \$2.3 billion financing to buy new aircraft.

European regional airline Flybe said it will establish a key hub at **Southampton Airport**, on the south coast of England, by launching five new routes. The U.K.-based carrier said it will offer low-fare scheduled services to Milan, Geneva, Dublin, Belfast and Jersey, Channel Islands, beginning in March 2003. Later in 2003 it plans to start services to Barcelona and Nice. The airline also announced the launch of two new routes from the U.K.'s Birmingham International Airport: daily flights to Bergamo, Italy, and the Isle of Man.

SAS said it will create a low-fare service, with operations to begin March 30, 2003, serving European destinations where SAS does not normally operate. Although the new service will have its own identity, it will not be a separate airline. The as-yet unnamed operation will be a business unit of SAS. Initially, it will have four aircraft, painted in their own livery, and will operate from airports in both Sweden and Denmark. Future plans may include flights from Oslo, Norway.

Flights between **South Korea** and **Taiwan**, suspended 10 years ago over political differences, are to resume for a limited period. Korean Air is to be allowed to operate charter flights from Seoul to Taipei until February 2003.

According to published reports, **Aerolineas Argentinas** will invest \$30 million to set up four new regional airlines in Latin America. Reports say that the subsidiaries will start flying 2003 in Bolivia, Chile, Paraguay and Uruguay and offer both domestic and international services.

Qantas in early December took delivery of its first Airbus aircraft. The aircraft will be used on key Cityflyer routes between Sydney and Brisbane, Melbourne and Perth. The A330-300 aircraft that will be delivered late next year will provide for growth on regional international routes.

British Airways next year will cut 21 routes and withdraw services entirely from airports at two major centers, **Leeds-**

Bradford and Cardiff. In April, 2003, the carrier will begin flying from **London City Airport** for the first time, launching three new routes to Frankfurt, Paris and Glasgow using regional jet aircraft. The routes being dropped will go by the end of March 2003. London City services start April 1.

Shanghai Airlines announced that its 200 million IPOA-shares became tradable on the Shanghai Stock Exchange on Oct. 11, 2002. The company launched an IPO to acquire new aircraft and finance an e-business project. Zhou Chi, chairman and CEO of Shanghai Airlines, explained, "Listing on the stock exchange will rapidly expand our fleet scale, strengthen domestic flight network and step up wide cooperation with international airlines."

Canadian North on Dec. 20 initiated an on-line booking capability on its website, www.canadiannorth.com. The carrier said it is the only airline providing jet airline service in the north to offer the on-line booking component.

ZIP, a Canadian low-fare carrier, announced expansion of its service to Ottawa, Montreal, Victoria and Abbotsford. Beginning Feb. 2, 2003, ZIP will add three aircraft to its existing fleet of seven to operate new nonstop flights between Winnipeg and Montreal, Winnipeg and Ottawa, and Calgary and Abbotsford, replacing Air Canada network flights. ZIP will also start service between Calgary and Victoria.

Swiss International Air Lines said it has concluded a \$316 million financing agreement with banks to purchase 12 Airbus aircraft.

Sabre Holdings Corp. and **Air China** have signed a contract to add Sabre Slot Manager to the airline's flight scheduling department alongside Sabre PC AirFlite and further advance the airlines scheduling capabilities. The contract follows the recent merger of China Southwest Airlines and CNAC Zhejiang with Air China, giving the airline a total of 118 aircraft operating on more than 300 routes.